GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:2064
ANSWERED ON:05.08.2003
LOSSES TO HPL
SULTAN SALAHUDDIN OWAISI

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether the Hindustan Prefeb Limited has been incurring losses since its inception and it has accumulated losses of Rs.60 crore as on 31.3.2002;

(b) if so, the facts thereof and reasons therefor;

(c) whether the future operation of HPL has been decided by the Government;

(d) if so, the details thereof; and

(e) if not, the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI PON RADHAKR)

(a)&(b): Hindustan Prefab Limited (HPL),became a Central Public Sector Undertaking on 16.8.1955. Detail of profits/losses from 1955 to 31.3.2003 are at Annexure-I. The accumulated loss upto 31.3.2002 is Rs. 60.58 Crores. The reasons are at Annexure-II.

(c): No, Sir.

(d): Does not arise.

(e): It is difficult to indicate any time frame in this regard.

ANNEXURES REFERRED TO IN REPLY TO PART (a)&(b) OF LOK SABHA UNSTARRED QUESTION NO. 2064 FOR 5.8.2003.

ANNEXURE-I

Financial performance of Hindustan Prefab Limited (HPL), since its Inception.

Financial year	Net profit (+)/Loss (-) (Rs. in Lac)
1955-56	(+)0.06
1956-57	(+)0.39
1957-58	(+)0.29
1958-59	(+)0.85
1959-60	(+)0.52
1960-61	(+)0.08
1961-62	(+)1.42
1962-63	(+)1.38
1963-64	(+)1.34
1964-65	(+)2.86
1965-66	(+)9.33
1966-67	(+)3.17
1967-68	(+)7.39
1968-69	(+)7.32
1969-70	(+)9.80
1970-71	(+)5.61
1971-72	(+)1.79
1972-73	(+)1.20
1973-74	(+)0.85
1974-75	(-)39.84
1975-76	(-)36.13
1976-77	(-)64.51
1977-78	(-)70.80
1978-79	(-)38.25

1979-80	(+)1.81	
1980-81	(+)3.20	
1981-82	(+)3.70	
1982-83	(-)61.79	
1983-84	(-)143.05	
1984-85	(-)94.94	
1985-86	(-)89.42	
1986-87	(-)75.79	
1987-88	(-)55.00	
1988-89	(+)9.34	
1989-90	(-)113.32	
1990-91	(-)111.83	
1991-92	(+)46.15	
1992-93	(+)61.65	
1993-94	(-)156.49	
1994-95	(-)197.70	
1995-96	(-)435.37	
1996-97	(-)461.31	
1997-98	(-)306.76	
1998-99	(-)554.37	
1999-2000	(-)740.47	
2000-01	(-)1080.08	
2001-02	(-)1298.70	
2002-03	(-)1228.98	(subject to audit)

ANNEXURE-II

THE MAIN REASONS FOR THE LOSSES OF HPL

1. Technology has not been recharged.

2. Plant and machinery are old and obsolete.

3. Limited consumer base for factory products like railway sleepers.

4. Low contribution surviving only on the Budgetary support from the Government of India.

5. Lack of level playing field for Public Sector Undertaking vis-a-vis private, as public Sector Undertakings are subject to various audits and statutory requirements.

6. The competitors are in private sector who enjoy the benefits of small scale, concessional excise duty, sales tax, locational and state preferences.

7 Cost of manpower is very high and not compatible with the industrial norms.

8. The debt equity ratio is very high. 9. The losses are operational losses.